

Larry E. Craig, Chairman
Jade West, Staff Director

Legislative Notice

Editor, Judy Gorman Prinkey

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S. 1004 – Energy and Water Development Appropriation Bill, 1998

Calendar No. 107

Reported from the Committee on Appropriations on July 10, 1997, by a recorded vote of 28 to 0, an original bill. S. Rept. 105-44.

NOTEWORTHY

- The Senate is expected to begin consideration of S. 1004, Energy and Water Development Appropriation Bill, 1998, immediately following disposition of the Department of Defense Appropriations Bill.
- S. 1004 provides \$21.21 billion in budget authority for fiscal year 1998, an amount which is within the subcommittee allocation for FY98 for budget authority and outlays. Of this, \$11.75 billion is for atomic energy defense activities, including \$5.31 billion for nuclear waste cleanup. The Administration requested a total of \$23.05 billion, and the House has not yet passed its bill. [See attached chart.]
- The committee increased funding for water projects, all taken from civilian programs, at a level \$229.5 million above the Administration's request.
- Several amendments are expected, including one by Senator Bumpers to reduce the appropriation of \$4.3 billion for nuclear weapons activities.
- No Statement of Administration Policy had been released at press time, but was anticipated later today. On July 10, OMB Director Franklin D. Raines wrote a letter to Subcommittee Chairman Domenici, voicing objection to the reallocation of national defense funds from Department of Energy programs to Department of Defense programs, saying the funds are needed to provide full funding for Atomic Energy Defense Activities, as requested. Among other concerns, he cited objection to the funding level recommended for environmental management privatization projects.

HIGHLIGHTS

Department of Defense: Corps of Engineers — Civil

- **Corps of Engineers — Civil:** The Committee continues the basic mission and activities of the Corps of Engineers and appropriates \$3.66 billion (\$444.7 million less than FY 1997). The Committee exceeds the Administration's FY 1998 budget proposal by \$292.1 million, and is less than last year's appropriation by \$444.7 million. The Committee recommendation provides funding to plan or initiate new water projects, with the recognition that schedules for almost all ongoing projects are slipping due to insufficient funds. The Committee appropriates a total of \$164.1 million for general investigations; \$1.28 billion for construction of water resource projects; \$289 million for Mississippi River flood control; and \$1.66 billion for operation and maintenance activities of the Corps.

Department of the Interior

- **Bureau of Reclamation:** The Committee appropriates \$829.5 million for Bureau of Reclamation activities, \$62.6 million less than the Administration's request.
- **Central Utah Project Completion Account:** The Committee appropriates \$41.2 million to the Central Utah Project Completion Account — the same as the Administration's request and \$2.1 million less than last year.

Department of Energy

- **Total Funding:** The Committee provides \$16.39 billion for the Department's general administrative expenses, nuclear weapons and environmental restoration programs, nuclear research activities, and the power marketing agencies, \$633.3 million more than FY 1997, and \$2.04 billion less than the Administration request. The Committee has joined with the House in restructuring the Department's non-defense functions into "energy research," "non-defense clean-up," and "science." See the Committee Report's charts on pages 121-128 for program-to-program comparisons with last year's funding and the Administration's requests.
- **Energy Research:** The Committee has reorganized this account and included solar and renewable energy, nuclear energy, non-defense environment, safety, and health; magnetic fusion energy, and other energy support activities into a single "energy research" account. The Committee has provided \$966.9 million for those programs. This amount is \$102.4 million above the current year, but \$117.2 million below the Administration's request for these programs. The Committee recommends \$301.4 million for solar and renewable energy — \$35 million over the current year but \$43.3 million below the request; \$244

million for nuclear energy — \$24.4 million over the current year but \$67.6 million below the request.

- **Non-Defense Environmental Management:** The Committee recommends \$664.7 million, which is \$200 million below the Administration request, and \$73 million above FY 1997. The Committee included in this funding \$350 million for the civilian nuclear waste program, of which \$160 million (\$30 million less than the request) is derived from the nuclear waste fund and \$190 million is derived from the “atomic energy defense” account. Included in the total appropriation for this account is \$1.5 million for the State of Nevada and \$6.18 million for affected local governments. In its report, the Committee warns the Administration to prepare, no later than September 30, 1998, a viability assessment of the Yucca Mountain site for a nuclear waste repository.
- **Science:** The Committee has restructured into a single “science” account the Department’s high energy physics, nuclear physics, biological and environmental research, basic energy sciences, and “other energy research.” The Committee recommends \$2.22 billion for the programs in the new science account, which is \$37.3 million less than the Administration requested for the component parts of this account, and \$20.9 million above the current year. The two largest programs in this account are the high-energy physics account, funded by the Committee at \$657 million, and the basic energy sciences account, funded at \$668.2 million.
- **Nuclear Weapons Activities:** The Committee appropriated \$776.2 million less than the Administration request for nuclear weapons activities, for a total of \$4.30 billion. Within this account, the Committee appropriated \$567.8 million less than the Administration request for stockpile stewardship (which included a \$678.6 million reduction in the request for inertial fusion construction at the national ignition facility), and \$173.4 million less for stockpile management. The reductions are the result of the Committee’s recommendation not to provide budget authority for years beyond 1998, as requested by the Administration.
- **Defense Environmental Restoration and Waste Management:** The Committee appropriated \$5.31 billion for the Department’s environmental management program related to the Department’s nuclear energy or weapons research and production activities. This total was \$259.5 million more than the Administration request, which does not include the Administration’s asset acquisition request. Of this total, the Committee provides \$1.76 billion for environmental restoration programs and decommissioning contaminated DOE sites, an increase of \$17.5 million over the Administration’s request. The Committee provided the additional \$17.5 million to the Department of Energy to accelerate its efforts to reduce growing landlord costs associated with contaminated DOE sites and address high-priority removal and remedial actions at various sites. The Committee provided \$1.57 billion for the waste management program, \$342.2 million less than the Administration’s request. The waste management program seeks to protect the public and workers from past and ongoing radioactive and hazardous wastes generated by DOE defense activities. An additional \$1.27 billion is appropriated for the

nuclear materials and facilities stabilization program, adding \$63 million to the Administration's request, primarily for operating expenses and facility stabilization activities.

- **Defense Environmental Management Privatization:** The Committee provided only \$343 million of the requested \$1.01 billion for the Department's "privatization" initiative. Under the initiative, the Department would enter into fixed-price contracts for the treatment of certain wastes at its former nuclear weapons plant sites. Private sector contractors would finance the construction and operation of waste treatment facilities and would be paid only for the treatment of the waste. While the Committee noted that this approach was conceptually appealing, the Committee indicated its concern that the Department does not have a demonstrated ability to manage these technically challenging and expensive contracts. In fact, the Committee notes, the Department's most ambitious such project to date, the cleanup of the Pit-9 site in Idaho is over cost and incurring fines and penalties from the state for missed deadlines.
- **Power Marketing Administrations:** The Committee provided \$243.6 million for the Department's power marketing administrations, an increase of \$6.5 million over the Administration request, and an increase of \$14.9 million over FY 1997.
- **Federal Energy Regulatory Commission:** The Committee appropriates \$162.1 million for salaries and expenses for FERC, which is \$5.4 million below the requested amount, but \$15.9 million above last year's amount.

Independent Agencies

- **Appalachian Regional Commission:** The Committee appropriated \$160 million for the Appalachian Regional Commission — the same as last year and \$5 million less than the Administration requested.
- **Tennessee Valley Authority:** The Committee appropriated \$86 million for the Tennessee Valley Authority — \$20 million below last year's amount and \$20 million below the Administration's request. The Committee states that its funding level "continues to phase down TVA while allowing the region and Congress time to consider the future of TVA's activities and responsibilities."
- **Nuclear Regulatory Commission:** The Committee provides a gross appropriation of \$476.5 million, the same as the budget request, which amounts to a net appropriation of \$19 million with revenues from licenses and annual fees listed as \$457.5 million. The Committee encourages the NRC to continue to give special attention to replacing unnecessary prescriptive requirements and guidance with performance-based requirements and guidance.

Government Performance and Results Act

The Government Performance and Results Act is a law passed by Congress in 1993 that radically transforms the ways agencies plan and budget their activities. Under the law, agencies are required to consult with Congress and then submit to Congress, by September 30, agency strategic plans. These strategic plans are intended to reflect a cultural change in how the agencies operate by focusing on results and outcomes rather than the processes or activities of an agency. The Appropriations committee, after consultation with various agencies, has concluded the following:

The Appropriations Committee recommends that the Department of Energy consider using the 1996 performance agreement between President Clinton and Secretary O'Leary as the basis for future versions of its strategic plan. The agreement can contribute to the Department's management and can assist the Congress in evaluating the Department's performance, the Committee believes. The Committee also commends the Nuclear Regulatory Commission for its efforts regarding a draft strategic plan, but noted some shortcomings in the plan. It recommends the Federal Energy Regulatory Commission's budget request to the NRC, which it says has comparable responsibilities to the NRC. The Committee credits FERC for quantifying its workload.

COST

The Committee's report, prepared in consultation with the Congressional Budget Office, contains an estimate that the bill would result in outlays of \$13.53 billion in FY 1998, \$6.07 billion in FY 1999, \$909 million in FY 2000, \$117 million in FY 2001, and \$172 million in FY 2002 and future years.

POSSIBLE AMENDMENTS

Bumpers. To reduce the funding provided for the \$4.3 billion nuclear weapons account.

Feingold/Brownback. To eliminate funding for Animas-La Plata water project.

Staff Contact: Mark Whinton, 224-2946

S. 1004, Energy and Water Development Bill, 1998

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1998

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
TITLE I--DEPARTMENT OF DEFENSE--CIVIL					
DEPARTMENT OF THE ARMY					
Corps of Engineers--Civil					
General investigations.....	\$153,872,000	\$150,000,000	\$164,065,000	+\$10,193,000	+\$14,065,000
Construction, general.....	1,081,942,000	1,062,470,000	1,284,266,000	+202,324,000	+221,796,000
(By transfer).....	(1,000,000)			(-1,000,000)	
Flood control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.....	310,374,000	266,000,000	289,000,000	-21,374,000	+23,000,000
Operation and maintenance, general.....	1,697,015,000	1,618,000,000	1,661,203,000	-35,812,000	+43,203,000
Regulatory program.....	101,000,000	112,000,000	106,000,000	+5,000,000	-6,000,000
Flood control and coastal emergencies.....	10,000,000	14,000,000	10,000,000		-4,000,000
General expenses.....	149,000,000	148,000,000	148,000,000	-1,000,000	
Total, title I, Department of Defense--Civil.....	4,107,203,000	3,370,470,000	3,662,534,000	-444,669,000	+292,064,000
TITLE II--DEPARTMENT OF THE INTERIOR					
Central Utah Project Completion Account					
Central Utah project construction.....	25,827,000	23,743,000	23,743,000	-2,084,000	
Fish, wildlife, recreation mitigation, conservation	11,700,000	11,610,000	11,610,000	-90,000	
Utah reclamation mitigation and conservation account.....	5,000,000	5,000,000	5,000,000		
Program oversight and administration.....	1,100,000	800,000	800,000	-300,000	
Total, Central Utah project completion account.....	43,627,000	41,153,000	41,153,000	-2,474,000	
Bureau of Reclamation					
General investigations.....	16,650,000			-16,650,000	
Construction program.....	394,056,000			-394,056,000	
Operation and maintenance.....	267,876,000			-267,876,000	
Water and related resources.....		651,552,000	688,379,000	+688,379,000	+36,827,000
California Bay-Delta ecosystem restoration.....		143,300,000	50,000,000	+50,000,000	-93,300,000
Loan program.....	12,715,000	10,425,000	10,425,000	-2,290,000	
(Limitation on direct loans).....	(37,000,000)	(31,000,000)	(31,000,000)	(-6,000,000)	
Policy and administration.....	46,000,000	47,658,000	47,558,000	+1,558,000	-100,000
Colorado River Dam fund (by transfer, permanent authority).....	(-3,774,000)		(-5,592,000)	(-1,818,000)	(-5,592,000)

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
Central Valley project restoration fund.....	38,096,000	39,130,000	33,130,000	-4,966,000	-6,000,000
Total, Bureau of Reclamation.....	782,748,000	892,065,000	829,492,000	+46,744,000	-62,573,000
Total, title II, Department of the Interior.....	826,375,000	933,218,000	870,645,000	+44,270,000	-62,573,000
(By transfer).....	(-3,774,000)	.....	(-5,592,000)	(-1,818,000)	(-5,592,000)
TITLE III--DEPARTMENT OF ENERGY					
Energy Research.....	2,699,728,000	2,999,497,000	953,915,000	-1,745,813,000	-2,045,582,000
Energy assets acquisition.....	.....	43,582,000	13,025,000	+13,025,000	-30,557,000
Non-defense environmental management.....	.....	.....	664,684,000	+664,684,000	+664,684,000
Uranium Supply and Enrichment Activities.....	43,200,000	.....	.....	-43,200,000	.....
Gross revenues.....	-42,200,000	.....	.....	+42,200,000	.....
Net appropriation.....	1,000,000	.....	.....	-1,000,000	.....
Uranium enrichment decontamination and decommissioning fund.....	200,200,000	248,788,000	230,000,000	+29,800,000	-18,788,000
Nuclear Waste Disposal Fund.....	182,000,000	190,000,000	160,000,000	-22,000,000	-30,000,000
Science.....	996,000,000	875,910,000	2,084,567,000	+1,088,567,000	+1,208,657,000
Science assets acquisition.....	.....	110,250,000	138,510,000	+138,510,000	+28,260,000
Departmental Administration.....	215,021,000	232,604,000	220,847,000	+5,826,000	-11,757,000
Miscellaneous revenues.....	-125,388,000	-131,330,000	-131,330,000	-5,942,000	.....
Net appropriation.....	89,633,000	101,274,000	89,517,000	-116,000	-11,757,000
Office of the Inspector General.....	23,853,000	29,499,000	27,500,000	+3,647,000	-1,999,000
Environmental Restoration and Waste Management:					
Defense function.....	(5,619,304,000)	(6,058,499,000)	(6,058,499,000)	(+439,195,000)	.....
Non-defense function.....	(791,911,000)	(933,472,000)	(684,684,000)	(-107,227,000)	(-248,788,000)
Total.....	(6,411,215,000)	(6,991,971,000)	(6,743,183,000)	(+331,968,000)	(-248,788,000)
Atomic Energy Defense Activities					
Weapons Activities.....	3,911,198,000	3,576,255,000	4,302,450,000	+391,252,000	+726,195,000
Defense Environmental Restoration and Waste Management...	5,459,304,000	5,052,499,000	5,311,974,000	-147,330,000	+259,475,000
Defense environmental management privatization.....	160,000,000	1,006,000,000	343,000,000	+183,000,000	-663,000,000
Other Defense Activities.....	1,605,733,000	1,605,981,000	1,637,981,000	+32,248,000	+32,000,000
Defense Nuclear Waste Disposal.....	200,000,000	190,000,000	190,000,000	-10,000,000	.....
Defense asset acquisition.....	.....	2,166,859,000	.....	.....	-2,166,859,000
Total, Atomic Energy Defense Activities.....	11,336,235,000	13,597,594,000	11,785,405,000	+449,170,000	-1,812,189,000

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
Power Marketing Administrations					
Operation and maintenance, Alaska Power Administration...	4,000,000	1,000,000	3,500,000	-500,000	+2,500,000
Capital assets acquisition.....			20,000,000	+20,000,000	+20,000,000
O&M, Southeastern Power Administration.....	16,359,000	14,222,000	12,222,000	-4,137,000	-2,000,000
O&M, Southwestern Power Administration.....	25,210,000	26,500,000	26,500,000	+1,290,000	
Construction, rehabilitation, operation and maintenance, Western Area Power Administration.....	182,230,000	194,334,000	180,334,000	-1,896,000	-14,000,000
(By transfer, permanent authority).....	(3,774,000)		(5,592,000)	(+1,818,000)	(+5,592,000)
Falcon and Amistad operating and maintenance fund.....	970,000	1,065,000	1,065,000	+95,000	
Total, Power Marketing Administrations.....	228,769,000	237,121,000	243,621,000	+14,852,000	+6,500,000
Federal Energy Regulatory Commission					
Salaries and expenses.....	146,290,000	167,577,000	162,141,000	+15,851,000	-5,436,000
Revenues applied.....	-146,290,000	-167,577,000	-162,141,000	-15,851,000	+5,436,000
Total, title III, Department of Energy.....	15,757,418,000	18,433,515,000	16,390,744,000	+633,326,000	-2,042,771,000
(By transfer).....	(3,774,000)		(5,592,000)	(+1,818,000)	(+5,592,000)
TITLE IV--INDEPENDENT AGENCIES					
Appalachian Regional Commission.....	160,000,000	165,000,000	160,000,000		-5,000,000
Defense Nuclear Facilities Safety Board.....	16,000,000	17,500,000	17,500,000	+1,500,000	
Nuclear Regulatory Commission.....	14,500,000	19,000,000	19,000,000	+4,500,000	
Nuclear Waste Technical Review Board.....	2,531,000	3,200,000	3,200,000	+669,000	
Tennessee Valley Authority: TVA Fund	106,000,000	106,000,000	86,000,000	-20,000,000	-20,000,000
Total, title IV, Independent agencies.....	299,031,000	310,700,000	285,700,000	-13,331,000	-25,000,000
Grand total:					
New budget (obligational) authority.....	20,990,027,000	23,047,903,000	21,209,623,000	+219,596,000	-1,838,280,000
Appropriations.....	(20,378,672,000)	(23,047,903,000)	(21,209,623,000)	(+830,951,000)	(-1,838,280,000)
Emergency appropriations.....	(611,355,000)			(-611,355,000)	
(By transfer).....	(1,000,000)			(-1,000,000)	